



THE AL

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Counsellor

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EDMONTON, ALBERTA

August, 1963

SIX-YEAR TOTAL REACHES \$90,000,000

BASED ON EQUALIZED ASSESSMENT AND POPULATION

359 CHEQUES MAILED IN JULY

For the sixth straight year, \$15,000,000 has been distributed among Alberta municipal authorities as unconditional grants under The Municipalities Assistance Act of 1958. As usual, cheques were mailed early in July after the amount of each had been calculated according to a formula based on such factors as the equalized assessment and population of each municipality. The formula by which the amount of each cheque is determined was devised in 1958 by T. D. Bruce, Statistician with the Department of Municipal Affairs, and has been unchanged since that time.

The current sum appropriated and distributed under The Municipalities Assistance Act brings to \$90,000,000 the unconditional share of provincial revenues for municipalities over the six year period.

Number of cheques this year is 359 or one more than in 1962. As in former years the sums vary greatly, the current range being from \$146.88 (for I. D. No. 33) to \$2,552,329.26 (for Calgary) and \$2,848,176.75 (for Edmonton). Third largest cheque for a total of \$342,016.98 went to Jasper Place, some \$4000 more than the City of Lethbridge which qualified for \$338,040.11.

A comparison of aggregate sums distributed to various types of administrative units this year and last, together with the number of cheques involved in each type, is as follows:

	1962		1963
Cities (10)	\$6,404,554.60	(10)	\$6,467,721.55
Towns (90)	1,965,120.28	(91)	2,026,513.41
Villages (158)	534,952.92	(158)	528,490.17
Counties (20)	2,532,638.92	(23)	2,847,008.94
M.D.'s (28)	2,944,876.81	(25)	2,527,438.21
I.D.'s (47)	480,398.83	(47)	464,746.31
Special Areas (1)	79,131.81	(1)	77,679.21
S.D.'s in Parks (4)	58,325.83	(4)	60,402.20

POPULATION BY PROVINCES

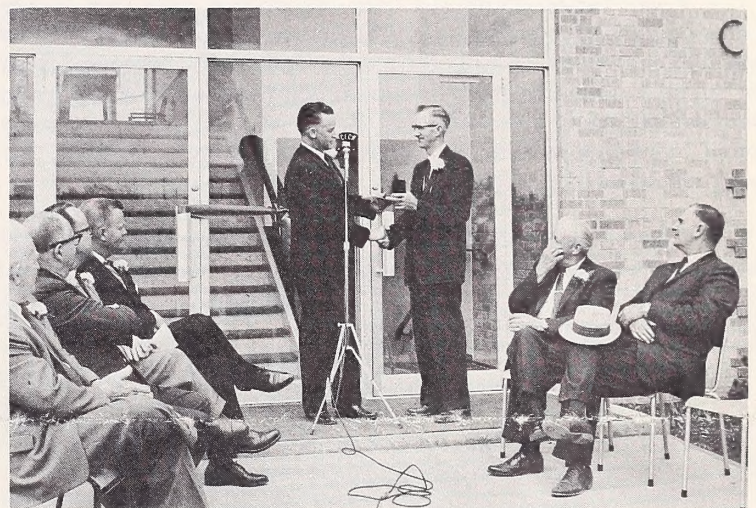
Canada's population reached 18,896,000 at June 1 and should edge past the 19,000,000 mark by October 1, the Dominion of Statistics estimated recently. The earlier figure shows an increase of 326,000 over the 18,570,000 estimated a year ago.

Estimated totals by provinces this year and last are:

Province	1963	1962
Newfoundland	481,000	470,000
P. E. Island	107,000	106,000
Nova Scotia	756,000	746,000
New Brunswick	614,000	607,000
Quebec	5,468,000	5,366,000
Ontario	6,448,000	6,342,000
Manitoba	950,000	935,000
Saskatchewan	933,000	930,000
Alberta	1,405,000	1,370,000
B. C.	1,695,000	1,659,000
Yukon	15,000	15,000
N. W. T.	24,000	24,000

CP Report ●

COUNTY OFFICE OPENED . . .



COUNTY of CAMROSE No. 22: Reeve Alf Vikse (standing right) receives the key to new administration building from Harry Brown, contractor. Others taking part in the ceremony were Mayor Hume of Camrose; Al Schloss, President, Camrose Chamber of Commerce; Hon. A.O. Aalborg, Minister of Education; R. J. Magueson, County secretary-treasurer; Hon. A. J. Hooke, Minister of Municipal Affairs; Chester Sayers, MLA for Camrose. o Camrose Canadian Photo

INTEREST SHOWN IN COUNTIES

Application from the Municipal District of Vermilion River No. 71 requesting conversion to a county has been given cabinet approval. As a result the former unit will be amalgamated with the Vermilion River School Division on January 1, 1964, to form the County of Vermilion River No. 24.

Considerable interest in the county system is being shown by other Alberta municipalities and further resolutions requesting conversion may be received during the next month or two.

. . . a few facts about

IMPROVEMENT DISTRICTS

Total area of Alberta's improvement districts is about 124,000,000 acres or 194,000 square miles. Population of 49 improvement districts (I.D.'s 24 and 97 not included) as established for purposes under The Municipalities' Assistance Act is 82,476 for 1963. The total for last year was 81,969.

For the most part improvement districts are sparsely-populated, but nonetheless they contain 13 thriving towns, 5 villages and 104 hamlets. Towns and villages have their own local governments, of course, but looking after the general administrative needs of hamlets located in improvement districts is the responsibility of a hamlet inspector working out of the Department in Edmonton.

Noteworthy also is the fact that a growing number of Alberta's improvement districts elect advisory committees whose function, as the name implies, is to advise in the administration of their local affairs.

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RENEWAL OF STRENGTH

Many of us could pass by the great scenic beauties, the natural wonders of the nation, or the fashionable watering places, to revisit the quiet secluded and humbler regions of our childhood home. It may be changed now, the old familiar forms may be gone. But memory remains. The love of a mother and a father dwelt there. From that shrine we return, always bringing with us a renewal of the strength of the hills or the plains and the inspiration of a nobler purpose.

o Calvin Coolidge

HAPPY HOLIDAY!

With so many people either away on holiday or wishing they were, it should surprise no one to find this report is somewhat deeply involved with them. Holidays . . . that is, not people. For our peace of mind we hope to work in some reference to local affairs, but it will probably be a secondary rather than our primary theme.

A well-remembered businessman in Edmonton every year used to take a full month away from his office because he said he could find strength enough to work only for eleven months. By the same token, he found his time off enabled him to do a better job more easily during the shortened period than if he had worked all year long. Here is the practical philosophy of any vacation, but not everyone is able to take such full advantage of it.

We remember too a deputy minister who ruled that except in emergent conditions no one could break his annual leave into two parts. He was convinced that members of his department gained more from one longer holiday than two short ones.

Last summer we met a high pressure sales executive on vacation in a quiet resort. He said he chose the site because he found he could "unwind" there. The prospect might not please everyone, but for him this was the perfect place for the change and the rest he needed.

We suspect all three . . . businessman, deputy minister, sales executive . . . had much in common. In addition to success, they shared a full appreciation of the knowledge that the human battery, like any other, demands an occasional recharging.

Speaking personally, we often spend part of our annual leave visiting the scenes of a reasonably happy childhood. And one of our better reasons (Mr. Coolidge's observation to the contrary) is that through the years so much has changed so little. The main business establishment where we used to procure our licorice whips and jaw-breakers is no longer a general store . . . but it's still there. The brook that challenged the highest buckled shoes naturally is much the same. But more remarkable is the shipshape condition of homes dating back half a century or more.

They've moved the old church and modernized it out of all recognition, but the school wherein was implanted some small knowledge as well as permanent memories of the fragrance of fresh-run concrete, stands as it did when we were very young. True, it has been more than doubled in size, but the view from the front hides the addition, and from that point only the great spreading trees tell of the passing of so many years.

Could well be we go back in a vain effort to pick up where we left off; but we prefer to think it is because here is a place where time seems to move less swiftly and people have learned that progress and change do not necessarily mean the same thing. If this could be said of every community (replacing the present preoccupation with swelling figures of population and the strain of competing with our neighbors) we suspect ours would be a happier world. There might even be less reason "to get away from it all". Even for a vacation. ●

* * * *

Asked the meaning of the word "budget", the little boy solemnly replied, "It's a family quarrel."

* * * *

Some people are no good at counting calories, and they have the figures to prove it.

THE CHANGING SCENE

TOWN OF SUNDRE

Secretary-Treasurer H.A. Buchanan

TOWN OF TROCHU

Secretary-Treasurer F. McLash

VILLAGE OF ALIX

Secretary-Treasurer J.H. Ditto

VILLAGE OF HEISLER

Secretary-Treasurer Mrs. E. Kroetsch

VILLAGE OF KINUSO

Secretary-Treasurer Mrs. M. McLaughlin

CITY OF CALGARY

Mayor J.W.G. MacEwan

● from Mr. Mulloy's

. . . at Banff

"INTRODUCTORY REMARKS"

* * * *

o On the duty of an accountant

As an accountant, I would say one of his most important duties in today's world is the preparation of financial statements which can be readily interpreted. In the case of municipalities, this means the preparation of statements which can be interpreted by the local ratepayers.

* * * *

o On the D.B.S. Municipal Finance Manual

Although the Manual has been prepared by a branch of the federal government . . . nonetheless the principles enunciated in it reflect the thinking of practicing accountants in regard to municipal accounting matters, and therefore should be a standard reference book to be used by all secretary-treasurers.

* * * *

o On financial reporting to ratepayers

In my opinion, simply to take the auditor's annual report to the Department of Municipal Affairs, run off copies of this report, circulate it amongst the taxpayers and feel you have done a good job is inadequate reporting.

The challenge is surely this: to take those very same figures, regroup them, set them out in a different fashion so that they are intelligible to the municipal council and to the taxpayers. It is in this field that the secretary-treasurer can, and ought to, take the initiative and use his skills to the best advantage.

* * * *

o On comparing municipal and commercial accounting

Far too much has been said about the differences between local government accounting and commercial accounting. I would be less than honest with you if I did not say that municipal people overstate these differences. For when people say it is different, they are trying to imply it is more difficult. This is not so. As a matter of fact the opposite is very nearly true.

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THIS MONTH

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FARMLAND ASSESSMENT

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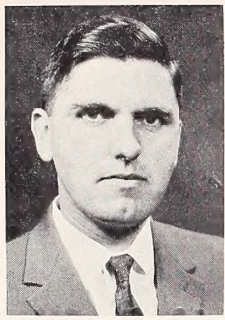
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The Alberta Municipal Councillor
Department of Municipal Affairs
Edmonton, Alberta



ACCOUNTING IS POSITIVE!

BY J. E. MULLOY, ASSISTANT PROFESSOR

FOLLOWING MR. MULLOY'S PRESENTATION
IN JUNE AT THE BANFF REFRESHER COURSE

MUNICIPAL ADMINISTRATION DEPARTMENT OF EXTENSION

At the 25th Annual Refresher Course in Municipal Administration held at Banff in June, "Accounting Statements and Controls" was the subject area selected for special treatment. In order to increase interest in the subject, the group discussion method was used, whereby the assembly was broken into groups of fifteen people. Specially prepared material was passed out to each person and they were asked, as a group, to prepare replies to certain questions contained in the material. A lively discussion developed in all groups, subsequently borne out by the comments and remarks made by the group leaders when reporting back their findings to the assembly.

I have been asked by the editor of The COUNSELLOR to write a note on my presentation at Banff. Apart from the introductory remarks, there was no formal paper as such presented by me at the Banff refresher course, so I have had to write out the thoughts and ideas I was trying to place before the people there. Those who attended the course may look upon this article as a follow-up to my presentation at Banff. To those who did not attend, I only hope the ideas placed before you will make you more sympathetic towards accountants and the importance of accounting in today's world. This article is not a treatise on accounting but simply an effort to throw out ideas on the subject which you might find interesting.

The title chosen is "Accounting is Positive", for it reflects the main thought that was foremost in my mind, namely: "Accounting is not a negative subject; it is not just a theory of debits and credits to be practised by dull-minded bookkeepers lacking in imagination and ideas, but rather it has a positive role to play in any business". In support of this concept of positiveness, two areas . . . year-end financial statements and interim financial statements . . . were chosen to illustrate the role.

INTERPRETATION OF STATEMENTS

Speaking in very general terms, people tend to run away from anything involving financial statements because of an odd notion that the interpretation of financial statements cannot be carried out without first having an understanding of accounting principles and practices. In part, professional accountants are to blame for this, for the public has been led to believe that annual financial statements of most trading companies could be quite easily read and interpreted by the average layman. But this is not so. On the contrary, annual financial statements of commercial companies tend to be quite technical and therefore not subject to ready interpretation. I suspect each layman has made this unhappy discovery of himself, felt rather foolish, and never admitted it to anyone else. There is a growing pressure being placed on professional accountants to prepare financial statements which lead themselves to easier interpretation. Whether this can ever be readily accomplished is a contentious point.

To talk about accounting as being positive, it might be well to examine what accounting is about and what it attempts to do, with particular reference to municipal government.

The first point to be noted is that accounting provides an accurate written record of all financial transactions. The technique used to record all such financial transactions is commonly called double-entry bookkeeping, but the reader might note that there is a very substantial amount of theory and logic behind the concept of debits and credits; it is not just something that grew up overnight. Having stated that, it hardly need be said that any accountant must know and understand the basic theory of double-entry bookkeeping. This is the rock on which he builds. An engineer must know how to use a slide rule; a doctor, his stethoscope; an accountant, differentiation between debits and credits.

CLASSIFICATION of ACCOUNTS

In my remarks at Banff I spoke about the so-called differences between municipal and commercial accounting, and that from the point of view of an accountant there is nothing new to be learned in the theory of debits and credits. But I did say that you must account for the "entity", be it a trading store, a railway company, an oil exploration company or a municipality. How does an accountant so arrange

his financial records to show or identify each different entity? The answer is quite simple. He uses a special "Classification of accounts" for each different entity. An accounting classification is the framework around which any accounting system is developed. The test of the adequacy of a classification must be "Does it provide the information needed for administrative and reporting purposes?"

In municipal accounting, the classification of accounts will be such that the financial records do reflect the transactions of the municipality. Thus expenditures would be classified under the following headings, just to mention a few categories: General Government; Protection to Persons and Property; Public Works; Sanitation and Waste Removal; Health, etc.

Similarly revenues would include the following classifications: Taxation, Licenses and Permits; Rents, concessions and franchises; Fines; Interest, tax penalties, etc.

A trading store would use a completely different classification, for it carried out a different operation, namely the sale of merchandise, and so the accounting classification would reflect this type of operation. (See Illustration 1) To illustrate this point further, a railway company would use the following type of classifications:

Railway Operating Revenues

Freight; Passenger; Baggage; Mail; Express; etc.

Railway Operating Expenses

Maintenance of way and structures; Traffic; Maintenance of equipment; Transportation - rail line; Transportation - water line; Miscellaneous operations; General; etc.

NOTHING MORE POSITIVE

Proper accounting involves the setting up of a system whereby enterprise transactions can be distributed into account categories. In other words, there must be a system in existence which ensures the orderly flow of documents so that the necessary information may be compiled for posting to the general ledger. It is here the accountant plays a very important role. He must have the ability to set up procedures which will ensure that all financial and statistical information is routed to the accounting department.

It means that all cash must be fully accounted for; information for the preparation of payrolls must come in the hands of the payroll department; invoices from suppliers must be properly processed before payment; inventories must be safeguarded; and it must be determined that value is received for all expenditures, etc. Surely, in the operation of any local government unit there is nothing more positive than this. This is not work for dull unimaginative minds, but rather it draws upon the highest skills and experience of any secretary-treasurer.

Accounting is also a procedure of marshalling account balances into interpretative summaries. It is this role of accounting that was discussed at Banff. The topic was treated from the point of view of year-end financial statements and interim financial statements, i.e. those prepared at different periods during the financial year.

The preparation of financial statements is a most challenging one to accountant, for really it is through them that an (To Page 6)

ABOUT the AUTHOR

Joseph Edward Mulloy is Assistant Professor with the Department of Extension's Public Administration Division, University of Alberta. His duties are to conduct a certificate course in local government accounting for secretary-treasurers and others throughout the Province of Alberta.

Mr. Mulloy came to Canada from County Mayo, Ireland, in 1953. A graduate of the University of Dublin, he holds a Bachelor of Commerce degree, later qualifying as a chartered accountant. On coming to Canada he worked in Montreal for some time and later was transferred to Calgary. His appointment to the University staff in Edmonton dates from June, 1962.

FOR 1963 . . .

POPULATION FIGURES

AS ESTABLISHED UNDER THE
MUNICIPALITIES' ASSISTANCE ACT

Cities			Population
Calgary	276,975	Lethbridge	36,257
Camrose	7,356	Medicine Hat	25,109
Drumheller	2,931	Red Deer	23,106
Edmonton	303,756	Wetaskiwin	5,540
Grande Prairie	9,707		
		TOTAL	690,737

Towns			
Athabasca	1,524	Manning	1,148
Barrhead	2,660	Mayerthorpe	945
Bassano	815	McLennan	1,078
Beaverlodge	1,057	Milk River	829
Black Diamond	1,043	Montgomery	5,077
Blairmore	1,980	Morinville	935
Bonnyville	2,124	Mundare	603
Bow Island	1,122	Nanton	1,054
Bowness	9,287	Okotoks	1,043
Brooks	3,058	Olds	2,823
Calmar	700	Peace River	3,209
Cardston	2,801	Picture Butte	988
Castor	1,112	Pincher Creek	3,081
Claresholm	2,098	Ponoka	4,110
Coaldale	2,592	Provost	1,121
Cold Lake	1,637	Raymond	2,362
Coleman	1,713	Redcliff	2,221
Coronation	942	Redwater	1,131
Daysland	626	Rimbey	1,498
Devon	1,423	Rocky Mtn. House	2,832
Didsbury	1,492	Smoky Lake	729
Drayton Valley	3,854	Spirit River	983
Edson	3,538	St. Albert	6,880
Elk Point	744	Stavely	349
Fairview	1,701	Stettler	3,791
Falher	741	Stony Plain	1,433
Fort MacLeod	2,592	St. Paul	3,261
Fort McMurray	1,186	Strathmore	916
Fort Saskatchewan	3,642	Sundre	924
Gleichen	426	Swan Hills	1,537
Grand Centre	1,941	Sylvan Lake	1,560
Granum	305	Taber	4,174
Grimshaw	1,428	Three Hills	1,491
Hanna	2,560	Tofield	905
Hardisty	611	Trochu	723
High Prairie	2,305	Two Hills	1,064
High River	2,276	Valleyview	1,306
Hinton	3,529	Vauxhall	942
Innisfail	2,361	Vegreville	3,237
Irvine	240	Vermilion	2,449
Jasper Place	35,478	Viking	1,092
Lac La Biche	1,406	Vulcan	1,519
Lacombe	3,029	Wainwright	3,705
Leduc	2,839	Westlock	2,358
Lodgepole	508	Whitecourt	2,401
Magrath	1,338		
		TOTAL	210,201

Villages			
Acme	325	Berwyn	376
Airdrie	679	Betula Beach S. V.	7
Alberta Beach S. V.	135	Big Valley	445
Alix	670	Bittern Lake	94
Alliance	314	Blackfalds	540
Amisk	146	Blackie	184
Andrew	614	Bonnyville Beach S. V.	Nil
Arrowwood	196	Botha	117
Barons	345	Bowden	551
Bashaw	663	Boyle	413
Bawlf	238	Breton	489
Beiseker	360	Bruderheim	299
Bellevue	1,323	Burdett	229
Bentley	588	Carbon	371

Carmangay	287	Kapasiwin S. V.	2
Caroline	321	Killam	772
Carstairs	660	Kinuso	402
Castle Island S. V.	Nil	Kitscoty	331
Cayley	146	Lakeview S. V.	12
Cereal	195	Lamont	705
Champion	419	Lavoy	131
Chauvin	395	Legal	577
Chinook	114	Lomond	244
Chipman	208	Lougheed	217
Clive	268	Ma-Me-O Beach S. V.	142
Cluny	174	Mannville	632
Clyde	259	Marwayne	382
Cochrane	857	Millet	424
Consort	565	Milo	152
Coutts	469	Minburn	165
Cowley	184	Mirror	577
Craigmyle	109	Morrin	301
Cremona	228	Munson	82
Crossfield	593	Myrnam	441
Crystal Springs S. V.	13	Nampa	261
Czar	190	New Norway	263
Delburne	461	New Sarepta	206
Delia	287	Nobleford	331
Derwent	281	Onoway	345
Dewberry	210	Oyen	786
Donalda	289	Penhold	354
Donnelly	308	Point Allison S. V.	6
Duchess	210	Radway	183
Eckville	603	Rochon Sands S. V.	28
Edberg	195	Rockyford	288
Edgerton	295	Rosemary	203
Edmonton Beach S. V.	20	Ross Haven S. V.	Nil
Elmira	214	Rumsey	123
Empress	422	Rycroft	556
Entwistle	411	Ryley	506
Evansburg	447	Sandy Beach S. V.	4
Ferintosh	174	Sangudo	344
Foremost	561	Seba Beach S. V.	113
Forestburg	707	Sedgewick	655
Fort Assiniboine	216	Sexsmith	531
Frank	223	Silver Beach S. V.	14
Gadsby	107	Slave Lake	468
Galahad	231	Spruce Grove	536
Ghost Lake S. V.	Nil	Standard	268
Gibbons	213	Stirling	468
Girouxville	318	Strome	311
Glendon	315	Sunset Point S. V.	14
Glenwood	239	Thorhild	341
Grassy Lake	274	Thorsby	572
Gull Lake S. V.	40	Tilley	257
Hairy Hill	179	Turner Valley	702
Halkirk	177	Veteran	239
Hay Lakes	210	Vilna	400
Heisler	214	Wanham	276
Hillspring	243	Warburg	352
Hines Creek	441	Warner	472
Holden	556	Warspite	153
Hughenden	253	Waskatenau	283
Hussar	224	Wembley	324
Hythe	558	West Cove S. V.	Nil
Innisfree	321	Wildwood	441
Irma	426	Willington	417
Irricana	151	Youngstown	321
Island Lake S. V.	12		
Itaska Beach S. V.	2	TOTAL	50,009

Counties			
Grande Prairie #1	8,803	Sturgeon #15	17,837
Vulcan #2	5,018	Wheatland #16	5,570
Ponoka #3	8,688	Mountain View #17	9,348
Newell #4	6,038	Paintearth #18	3,278
Warner #5	4,991	St. Paul #19	7,421
Stettler #6	5,968	Strathcona #20	12,075
Thorhild #7	5,096	Two Hills #21	6,205
Forty Mile #8	4,716	Camrose #22	9,041
Beaver #9	6,476	Red Deer #23	13,477
Wetaskiwin #10	8,701		
Barrhead #11	5,759	TOTAL	174,936
Athabasca #12	6,792		
Smoky Lake #13	4,913		
Lacombe #14	8,725		

POPULATION FIGURES FOR 1963

(From Page 4)

Municipal Districts

		Vermilion River #71	8,862
Cardston #6	4,905	Minburn #72	6,181
Pincher Creek #9	3,240	Leduc #75	10,647
Taber #14	7,349	Lamont #82	6,754
Lethbridge #25	11,184	Stony Plain #84	9,238
Willow Creek #26	4,863	Bonnyville #87	11,408
Foothills #31	7,896	Westlock #92	7,864
Acadia #34	965	Lac Ste. Anne #93	7,151
Rocky View #44	10,748	Smoky River #130	4,094
Starland #47	2,907	Spirit River #133	1,318
Kneehill #48	7,008	Peace #135	2,053
Provost #52	3,328	Fairview #136	1,917
Wainwright #61	4,847		
Flagstaff #62	6,355	TOTAL	153,082

Improvement Districts

I.D. #8	424	I.D. #109	2,351
I.D. #10	1,844	I.D. #110	552
I.D. #11	4,228	I.D. #111	353
I.D. #22	553	I.D. #121	323
I.D. #27	133	I.D. #122	613
I.D. #33	34	I.D. #123	279
I.D. #42	4,370	I.D. #124	3,108
I.D. #946	3,076	I.D. #125	3,212
I.D. #50	41	I.D. #126	2,579
I.D. #51	3,545	I.D. #128	769
I.D. #58	534	I.D. #129	577
I.D. #65	5,532	I.D. #131	2,403
I.D. #68	124	I.D. #132	2,646
I.D. #69	505	I.D. #134	2,505
I.D. #77	2,384	I.D. #137	174
I.D. #78	3,484	I.D. #138	3,194
I.D. #79	667	I.D. #139	2,772
I.D. #80	2,902	I.D. #143	1,650
I.D. #85	338	I.D. #144	212
I.D. #95	3,638	I.D. #145	144
I.D. #96	430	I.D. #146	662
I.D. #101	1,951	I.D. #147	3,189
I.D. #102	4,840	I.D. #148	86
I.D. #107	1,571	I.D. #149	339
I.D. #108	636	TOTAL	82,476

Special Areas

8,799

SUMMARY of ALBERTA'S POPULATION for 1963

* 9 Cities	690,737
91 Towns	210,201
158 Villages	50,009
* Alberta portion of Lloydminster	3,108
Total Urban	954,055
23 Counties	174,936
25 Municipal Districts	153,082
49 Improvement Districts (Nos. 24 & 97 not included)	82,476
Special Areas	8,799
Total Rural	419,293
* GRAND TOTAL	1,373,348

*Note: Difference between this total and that estimated for Alberta on Page 1 is partly accounted for by approximately 17,500 people living on reservations in the Province.

SECRETARY'S CALENDAR

FOR SEPTEMBER

Municipal District Act

Within 5 days after the end of each month the secretary-treasurer shall prepare a statement of monies received and their disposition, submit to council at next meeting and enter a copy in the minutes. Sec. 61 (v).

Sept. 1 - Payment of the second instalment of requisition under the Alberta Hospitals Act. Sec. 50 (2).

Sept. 1 - Payment of the second instalment of requisition for School Foundation Program. Sec. 304a (School Act).

... FOR SEPTEMBER (Cont'd)

Sept. 15 - Prior to this date council shall provide for the holding of a nomination meeting on the first Saturday in November. Sec. 96 (1).

Sept. 15 - On or before this day secretary-treasurer shall enter in the assessment and tax roll a statement of all taxes. Sec. 335.

Sept. 15 - Payment of quarterly instalment of supplementary school requisition. Sec. 338.

Sept. 15 - Secretary-treasurer shall prepare tax roll and mail tax notices. Sec. 335 and 347.

Note: Secretary-treasurer shall mail notification of estimated assistance by the Province to all ratepayers and also a copy to the Minister. Sec. 347a.

Secretary-treasurer may recover by distress taxes that remain unpaid one month after the mailing of the notice. Sec. 357.

Town and Village Act

15th - Secretary-treasurer shall prepare a statement of monies received and their disposition, submit to council at next meeting and enter a copy in the minutes. Sec. 67 (r).

Sept. 1 - On or before this date the secretary-treasurer shall prepare the tax roll and mail tax notices. Sec. 368 and 370.

Sept. 1 - Payment of the second instalment of requisition under the Alberta Hospital Act. Sec. 50 (2).

Sept. 1 - Payment of the second instalment of requisition for School Foundation Program. Sec. 304a (School Act).

Sept. 7 - Summer Village councillors assume office on this day and an auditor is to be appointed at this their first meeting. Sec. 23 (4) (c) and 23 (4) (e).

Sept. 10 - Post amendments to the voters list on or before this date. Sec. 121 (1).

Sept. 10 - Appoint Returning Officer at least two weeks before the 4th Wednesday in September. Sec. 127 (1).

Sept. 15 - Third quarter of supplementary school requisition due. Sec. 355 (1).

Sept. 18 - Post notice of nomination meeting on or before this date. Sec. 129 (2).

Sept. 20 - Court of Revision re: voters list held on or before this date. Sec. 122 (1).

Sept. 25 - Nomination for councillors shall be received Sec. 129 (1).

Sept. 26 - Returning Officer shall post notice of pole (if required). Sec. 137.

Note: Secretary-treasurer shall mail notification of estimated provincial assistance to all ratepayers and also a copy to the Minister. Sec. 370.

Crown Property Municipal Grants Act

Secretary-treasurers are reminded to make application for grants in lieu of taxes as set out in this Act. Sections 3, 7 and 8.

They are further reminded of similar arrangements with federal authorities under The Municipal Grants Act (Federal).

SECRETARY'S CALENDAR

FOR OCTOBER



Municipal District Act

Within 5 days after the end of each month the secretary-treasurer shall prepare a statement of monies received and their disposition, submit to council and enter a copy in the minutes. Sec. 61 (v).

Oct. 12 - Appoint returning officers and deputies by this date. Sec. 98.

Oct. 22 - Notice of nomination day must be mailed to each resident proprietary elector or published on or before this date. Sec. 51, 97 and 101.

Oct. 25 - Notice of nomination day must be posted on or before this date. Sec. 97 and 101.

Oct. 26 - Appoint enumerators on or before this date. Sec. 110 (1).

Nov. 2 - Nomination day. Sec. 96.

Town and Village Act

15th - Secretary-treasurer shall prepare a statement of monies received and their disposition, submit to council at next meeting and enter a copy in the minutes. Sec. 67 (r).

Oct. 16 - Election day to be held. Sec. 134 (2).

Oct. 28 - First statutory meeting to be held. Sec. 46 (1).

Oaths of office. Sec. 40 (1) and 95 (1). (More on Page 8)

ACCOUNTING IS POSITIVE
(From Page 3)

accountant has an opportunity to display his skills to a non-accounting world. Therefore the subject is worthy of careful attention.

It is worthwhile referring to the Municipal Finance Reporting Manual of the Dominion Bureau of Statistics for some pertinent comments on financial statements of municipalities. "Financial reports of municipalities may also vary according to the purpose or interests they are intended to serve . . . an abridged report should be prepared and available for the use mainly of the rate payers and other individuals in the municipality. This should be in very condensed and abbreviated form. It should deal with the complete range of local affairs, revenues and resources, but contain as few financial statements as possible, and these should be accompanied by such descriptive commentary and explanations as may be necessary to make the report easily and correctly understood. Pictorial and graphic illustrations are widely used in the many excellent examples of this latter type of report."

ANNUAL FINANCIAL STATEMENTS

With those comments from the D.B.S. Manual let us first of all consider annual financial statements. Probably the best way to lead into this subject is to tell you about an accounting convention called "consistency" which plays a very important role in the accounting world. Its importance will be emphasized by reference to commercial accounting. The doctrine of consistency required that once a company follows a certain accounting procedure, it will treat all subsequent events of the same character in the same fashion. If a company made frequent changes in the manner of handling a given class of events in the accounting records, comparison of its accounting figures for one period with those of another period would be difficult. Because of this doctrine, changes in the method of keeping accounts are not made lightly. The main point to remember here is that consistency in accounting treatment enables the reader of financial statements to make valid judgements from the figures because they are comparative. To make such judgements you must be able to compare the figures for any one year with similar figures for previous years.

To give a very simple illustration of the importance of this accounting convention, take the following set of figures:

John Doe (ILLUSTRATION 1)		
Statement of Profit and Loss		
For the Year Ended December 31, 1962		
	1962	1961
Sales	\$175,000	\$152,000
Cost of Sales	132,000	111,300
Gross Profit	\$ 43,000	\$ 40,700
Operating Expenses		
Salaries and Wages	21,000	18,000
Rent	6,000	6,000
Advertising	2,400	1,100
Insurance	500	500
Postage and Telephone	1,600	1,200
Miscellaneous	900	900
Depreciation	1,500	3,000
	\$ 33,900	\$ 30,700
Profit before income taxes	9,100	10,000
Provision for income taxes	2,000	2,500
Net Profit	\$ 7,100	\$ 7,500

Looking at this financial statement, one could perhaps express the opinion that 1962 was a trifle disappointing in that in spite of an increase in sales of \$23,000 the net profit declined by \$400. But if someone told you that in 1962, in order to make the results look more acceptable, depreciation had been calculated on a different basis than that used in 1961 you would realize that, had the 1961 basis been followed, depreciation charges for 1962 would have amounted to \$4,000 and not \$1,500 as shown on the financial statements. For a true comparison the net profit in 1962 should be shown at \$4,600 (\$7,100 - \$2,500 — \$4,00 - \$1,500) and this then should be compared with \$7,500 for 1961.

The following statement from a publication issued by the Canadian Institute of Chartered Accountants emphasizes this point very strongly: "Financial statements should be prepared on a consistent basis. This does not mean, of course, that there will be no changes in the way in which basic concepts are applied. A change in circumstances may require the introduction of new methods or a change in

the basis of applying methods used previously. Nevertheless, where the circumstances are the same, the practices should be consistent. If for example, a change is made in the method of valuing inventories and this change has a material effect on the comparability of the current statements with those of the prior year or is likely to have a material effect on the comparability of future statements, the change and its effect should be disclosed."

MUST BE UNDERSTANDABLE

Having spoken about consistency, let us turn to the importance of having comparative information on annual financial statements. In the case of a municipality, since it is required by law that annual reports be mailed to the taxpayer, it appears to me that there is a responsibility on councils and secretary-treasurers to issue financial statements which can be interpreted and understood by the local taxpayers. In my view, this implies issuing financial statements which contain comparative figures. The figures for the current year may be compared with the budgetary estimates or with previous years' figures. Let me illustrate this point.

Name of Municipality (ILLUSTRATION 2)	
General Fund	
Statement of General Revenue and Expenditures	
For the Year Ended December 31, 1962	
Revenue	
Taxation for municipal, school, and hospital purposes	
Real property	\$1,100,200
Business	71,500
Other	208,000
Total Current Levy:	\$1,379,000
Licenses and permits	88,000
Rents, concessions and franchises	187,000
Fines	45,000
Interest, tax penalties, etc.	14,500
Service charges	2,400
Contributions, grants and subsidies	718,000
Miscellaneous	52,000
	\$2,486,600
Expenditure	
General government	283,000
Protection to persons and property	390,000
Public works	297,000
Sanitation and waste removal	94,500
Social welfare	50,000
Education	584,000
Recreation and community services	102,500
Debt charges	398,000
Utilities	80,000
Provision for reserves	35,000
Capital expenditures	114,000
Joint or special expenditures	36,000
Miscellaneous expenditures	37,000
	\$2,501,000
Deficit	\$ 14,400

MORE MEANINGFUL

Compare illustration 2 with illustrations 3, 4, and 5 and I think you will agree that illustrations 3, 4, and 5 by the very fact of having comparative figures are more meaningful documents. A few points should be noted about these statements. The figures should be grouped in such a manner that the reader's eyes will be drawn to the main items in the statements. This means the elimination of a lot of unnecessary detail which tends to distract the reader's attention. If a more complete analysis of any figure is required, such information can be readily supplied. In preparing these financial statements you should try to remember that it is the taxpayer who is going to examine them, and you should want him to give the accounts close scrutiny and pass judgement on the operations of the past year. The questions that he may want to ask should be intelligent and significant, not sniping over trivial amounts, which is so often the case. I believe that there is an educational job to be done here, and it remains to the local council and secretary-treasurer to improve the form of their annual report so that the local taxpayer can make sense out of the figures. (To Page 7)

How beautiful is the rain! After the
dust and heat, in the broad and fiery street,
and in the narrow lane; how beautiful is the rain!
o Longfellow

ACCOUNTING IS POSITIVE

(From Page 6)

Name of Municipality (ILLUSTRATION 3)
General FundStatement of General Revenue and Expenditure
For the Year Ended December 31, 1962

Revenue	1962	1961
Taxation for municipal, school, and hospital purposes		
Real property	\$1,100,200	\$1,070,000
Business	71,500	67,000
Other	208,000	182,000
Total Current Levy:	\$1,379,700	\$1,319,000
Licenses and permits	88,000	77,000
Rents, concessions and franchises	187,000	204,000
Fines	45,000	36,500
Interest, tax penalties, etc.	14,500	20,500
Service charges	2,400	2,000
Contributions, grants and subsidies	718,000	583,400
Miscellaneous	52,000	16,000
	<u>\$2,486,600</u>	<u>\$2,258,400</u>
Expenditure		
General government	283,000	251,000
Protection to persons and property	390,000	352,000
Public works	297,000	261,000
Sanitation and waste removal	94,500	100,000
Social welfare	50,000	40,000
Education	584,000	545,400
Recreation and community services	102,500	104,000
Debt charges	398,000	356,000
Utilities	80,000	72,000
Provision for reserves	35,000	3,000
Capital expenditures	114,000	115,000
Joint or special expenditures	36,000	30,000
Miscellaneous expenditures	37,000	19,000
	<u>\$2,501,000</u>	<u>\$2,248,400</u>
Surplus (deficit)	<u>\$ 14,400</u>	<u>\$ -10,000</u>

Name of Municipality (ILLUSTRATION 4)
General FundSchedule of Revenues for Year Ended
December 31, 1962

	Estimated 1962	Actual 1962	Excess	Deficiency
Taxation for municipal, school, and hospital purposes:				
Real property	\$1,110,000	\$1,100,200	\$	\$ 9,800
Business	70,000	71,500	1,500	
Other	205,000	208,000	3,000	
	<u>1,385,000</u>	<u>1,379,700</u>	<u>4,500</u>	<u>9,800</u>
Licenses and permits	78,000	88,000	10,000	
Rents, concessions and franchises	210,000	187,000		23,000
Fines	40,000	45,000	5,000	
Interest, tax penalties, etc.	20,000	14,500		5,500
Service charges	2,000	2,400	400	
Contributions, grants and subsidies	650,000	718,000	68,000	
Miscellaneous	25,000	52,000	27,000	
	<u>\$2,410,000</u>	<u>\$2,486,600</u>	<u>\$114,900</u>	<u>\$38,300</u>

Name of Municipality (ILLUSTRATION 5)
General FundSchedule of Expenditures for Year Ended
December 31, 1962

	Budgeted	Actual	Over Expended	Under Expended
General government	\$ 300,000	\$ 283,000	\$	\$17,000
Protection to persons and property	398,000	390,000		8,000

Expenditures (Cont'd)

Public works	225,000	297,000	72,000	
Sanitation and waste removal	100,000	94,500		5,500
Social welfare	60,000	50,000		10,000
Education	584,000	584,000		
Recreation and community services	110,000	102,500		7,500
Debt charges	398,000	398,000		
Utilities	75,000	80,000	5,000	
Provision for reserves	15,000	35,000	20,000	
Capital expenditures	80,000	114,000	34,000	
Joint or special expenditures	30,000	36,000	6,000	
Miscellaneous	25,000	37,000	12,000	
	<u>\$2,400,000</u>	<u>\$2,501,000</u>	<u>\$149,000</u>	<u>\$48,000</u>

ASK THESE QUESTIONS

By reference to illustrations 3 - 5 inclusive, here are some questions I would ask:

- (a) Why did council ignore the terms of the budget estimates and overspend in so many categories?
(b) Did this occur simply because revenues were so bouyant?
(c) In view of this, does council simply go through the motions of approving the budget, and then ignore it?
- Regarding the current tax levy, does the municipality expect the assessment base to grow or remain stabilized within the next few years?
- Why did the revenue from rents, concessions, and franchises fall short of the budget estimates?
- For contributions, grants and subsidies:
(a) What additional grants did the municipality get, to result in an underestimate of \$68,000.00?
(b) Details of the total amount of \$718,000.
(c) What is the provincial government's policy with respect to municipal grants?
(d) Would like to be brought up-to-date on provincial legislation affecting the municipality.
(e) Details, if possible, of the federal government's intention of granting municipal loans.
- Require an analysis of miscellaneous revenues - \$52,000.
- Explain the overexpenditure of \$72,000.00 in public works. (Note: Make an issue of this question, in the light of the answer received to question 1).
- Education:
(a) What are future expenditures likely to be in this category?
(b) Any formulation of a definite policy to counter increased requisitions by the school boards?
(c) Any political action planned, such as petitioning the provincial government via various municipal associations?
(d) Any thought to becoming a county?
- (a) Would like to know the extent of intended future borrowings.
(b) What amount of annual debt charges can the municipality bear?
- Utilities:
(a) What utilities are being subsidized by the taxpayers?
(b) What is council's attitude towards deficits in utility operations?
(c) What efforts are being made to eliminate those deficits? (Note: Financial statements of all utility operations should be attached to annual report).
- Provision for reserves:
What does this figure of \$35,000.00 represent?
(Note: There is danger of double-talk in answer to such a question. Obviously someone is playing with figures because the budget estimates called for \$15,000.00 but this has been increased by \$20,000.00, presumably to eliminate a surplus arising from additional revenues).
- Regarding capital expenditures, a discussion of these expenditures could have been taken up when dealing with question eight. Details of such expenditures should be supplied, and a proper explanation of why council overspent \$34,000.00 in this category.

(To Page 8)

ACCOUNTING IS POSITIVE
(From Page 7)

12. Knowing that the expenditures in joint or special expenditures relate to hospitalization etc., would it be possible to be brought up-to-date on current provincial legislation in these areas. Any further participating schemes in the offing? Are they likely to cost the municipality very much additional expenditures?
13. Miscellaneous expenditures at \$37,000.00 seem high. Explain. (Note: It is made up mostly of discount on current taxes).

LIST NOT ALL-INCLUSIVE

This list of questions is not meant to be all inclusive; perhaps the reader might like to try a mental exercise and review the figures himself a little more closely. It is worth nothing that complete details on all categories have the effect of distracting the reader's attention from the vital issues. For example, in order to distract the taxpayer's attention away from the fact that council overspent \$72,000.00 in public works, detailed schedules listing all the work actually done may have been furnished!

One final point that might be noted about the figures in illustration 3 is this: Both revenue and expenditure figures can be expressed as percentages. Thus revenue from taxes in 1962 represented 55.5% of total revenues compared with 58.4% in 1961. Similarly, expenditures for public works in 1962 represented 11.8% of total expenditures compared with 11.6% in 1961. These percentages should be used for internal purposes only and it is unwise to draw any firm conclusions from comparisons with other municipalities. However, comparisons with other municipalities can assist in that you can determine the reasonableness of some expenditure items, e.g. general government.

Finally, financial statements can be used with good effect during the year, particularly when reporting to council. The following illustrations are self-explanatory in that they indicate how revenues and expenditures are shaping up by reference to the annual budget:

Name of Municipality (ILLUSTRATION 6) General Fund Statement of Realization of Revenues For The Six Months Period Ended June 30, 1963					
(1)	(2)	(3)	(4)	(5)	
Budget Estimate	Actual to Date	Balance Unrealized	Collected	Outstanding	
Real property	\$1,110,000	\$1,100,200	\$ 9,800	\$ 400,000	\$700,200
Business	70,000	71,500	+ 1,500	38,000	33,500
Other taxes	205,000	208,000	+ 3,000	92,000	116,000
Licenses & permits	78,000	41,500	36,500	41,500	-
Rents, concessions, etc.	210,000	74,000	136,000	69,500	4,500
Fines	40,000	17,800	22,200	17,800	-
Interest, tax penalties, etc.	20,000	18,600	1,400	7,300	11,300
Service charges	2,000	900	1,100	900	-
Contributions, grants and subsidies	650,000	365,000	285,000	365,000	-
Miscellaneous	25,000	12,500	12,500	12,500	-
	<u>\$2,410,000</u>	<u>\$1,910,000</u>	<u>\$500,000</u>	<u>\$1,044,500</u>	<u>\$865,500</u>

- Note:
1. By reference to Column 2, the following items have been calculated on an accrual basis of accounting; i.e., recorded when billed as distinct from a cash basis: Real property, Business, Other taxes; Rents, concessions, etc.; Interest, tax penalties, etc. All other items have been calculated on a cash basis.
2. Column 3 is simply the difference between Column 1 and 2, bearing in mind the difference accounting techniques outlined in 1 used to obtain the figures in Column 2.

This type of information can be most helpful to council in planning expenditures for the remaining six months.

It should be noted that all the illustrations shown in this article are not meant to suggest that this is the only way of preparing these schedules. On the contrary, there are many variations that can be introduced into all these statements, and each person will find a format most suited to his own needs, but containing essentially the same information. For example in illustration 7, council has no discretionary powers over some expenditure items, e.g. education and debt charges. In effect the full amounts of \$584,000 and \$398,000 are encumbered and cannot be reduced by council for that year. Accordingly, some interim statements show this type of information.

SUMMARY of POINTS

In conclusion it might be well to summarize some of the points made in this article:

1. Accounting is positive, it is a subject which calls for imagination and initiative. It is not simply a theory of debits

SECRETARY'S CALENDAR FOR OCTOBER
(From Page 5)

- Appointments - Mayor (village only) Sec. 44.
- Deputy Mayor - Sec. 49 (1).
- Various Committees - Sec. 53 (1).
- Representatives to attend School Divisional Board meetings(if applicable). Sec. 58. (2).
- Set day, hour and place of regular meetings. Sec. 48 (1).

Assessment Act, 1960

- August 31 - Adopt current years assessment for use next year by by-law on or before this date. Sec. 16 and 19.
Note: Also under authority of Sec. 464 of The City Act.
Oct. 31 - Assessor to assess all property not covered by the adoption by-law on or before this date. Sec. 21 and 22.

Name of Municipality (ILLUSTRATION 7) General Fund Statement Of Expenditures Compared With Budgetary Estimates For The Six Months Ended June 30, 1963			
	Budget Estimates	Expenditures	Unexpended Balance
General government	\$ 300,000	\$ 143,700	\$ 156,300
Protection to persons and property	398,000	182,000	216,000
Public works	225,000	140,000	85,000
Sanitation and waste removal	100,000	46,800	53,200
Social welfare	60,000	27,400	32,600
Education	584,000	292,000	292,000
Recreation and community services	110,000	39,000	71,000
Debt charges	398,000	126,000	272,000
Utilities	75,000	-	75,000
Provision for reserves	15,000	-	15,000
Capital expenditures	80,000	25,000	55,000
Joint or special expenditures	30,000	19,000	11,000
Miscellaneous expenditures	25,000	16,300	8,700
	<u>\$2,400,000</u>	<u>\$1,057,200</u>	<u>\$1,342,800</u>

SUMMARY of POINTS (Cont'd)

- and credits. It incorporates the whole organization, requiring a complete and efficient system which will safeguard the assets of the organization.
2. An accounting classification is the core of any accounting system. Through it the accountant translates the operations of any type of organization to the accounting records. In this sense, the techniques used apply equally to all organizations be they retail store, oil exploration companies, charitable organizations or municipalities.
3. Consistency holds a very important place in accounting conventions.
4. In the preparation of annual financial statements, comparative figures add immeasurably to their interpretation. In the case of municipalities, comparison with budgetary estimates is essential, with previous years' figures also acting as a very important guide.
5. In preparing financial statements the items should be so arranged that the reader's attention will be drawn to the more significant items. This means the elimination of unnecessary detail which sometimes can confuse rather than enlighten.
6. It is well to have regard to your audience; in municipalities the taxpayer cannot be expected to be a financial wizard, so any financial statements issued to him should be in such a form that he can easily understand them.
7. Interim financial statements placed before council should be in such a form that they show clearly how revenues and expenditures are shaping up by reference to the budget estimates. The council, with such information before it, is then in a position to take any remedial action that the situation might warrant so that the municipality can remain within the budgetary estimates.

Mr. Mulloy's . . .

"INTRODUCTORY REMARKS"

(From Page 2)

. . . The same accounting procedures are followed; it is the same type of debit and credit; and in most instances, the same type of records are maintained. There is no difference between the payroll registers used by a municipality and a commercial enterprise, and that applies equally to many other accounting records. So let's not get carried away with the notion of these differences being insurmountable.

* * * *

o On the annual budget

The key to any municipal operation is the annual budget. Why? Because the budget is a plan. It sets out what services are going to be provided by the local government that year and are expressed in dollars of expenditures. In addition, it also sets out how these expenditures are going to be financed, so you have the other side of the coin, the revenue side. So really, the accounting system should be designed to reflect this operation; namely, account for the annual budget; and the year-end financial statements should, if they are to be meaningful, be presented by reference to the budget. ●

. . . "THERE ARE BASICALLY THREE CONSIDERATIONS"



FARMLAND ASSESSMENT

BY K. J. SPREAD

● K. J. Spread, Assessment Appeal Board member, graduated in 1950 from the University of Alberta with a B.Sc. in Agriculture and worked first with the Field Service Branch and for a time with the Lacombe Experimental Station. He then joined the Department of Lands and Forests, transferring in 1954 to the Department of Municipal Affairs as an Assessment Inspector.

The paper below was delivered in November to the Calgary Chapter of the Appraisal Institute of Canada.

* * * *

Prior to 1954, the schedule of values being used by most of the rural assessors was rather abstract and the values applied for any one type of soil could vary widely depending on the opinions of the various assessors. This method of valuation was generally acceptable when comparing assessments within municipalities but it did not result in any great degree of equity between assessments on similar lands in different municipalities. In addition, the assessor was often inclined to be unduly influenced by the management factor. In 1954, in order to attain a greater degree of uniformity in assessment procedure, the Assessment Branch adopted a system of rating the soil designed to estimate the potential productivity of the land under typical management practices. This soil rating system had been in use by the Alberta Soil Surveys for some time and is actually an adaptation of the Storie index ratings. The ratings set out in the Storie index were modified to fit Alberta conditions considering climatic factors and long term average yields. This rating schedule has been carried through into our 1959 Assessment Manual with certain modifications which practical experience in the use of the ratings has indicated were necessary for the purpose of arriving at assessment values.

In the estimation of value of agricultural lands for assessment purposes there are basically three considerations, or factors: (1) the soil factor in relation to its suitability for crop production; (2) an economic factor with regard to the "farmability" of the land, and (3) a location factor which reflects the marketing angle and also certain amenities attributable to location.

INHERENT FERTILITY

The soil factor consists first of a consideration of soil zone, viz., black, brown, grey wooded, etc., which encompasses a combination of color and depth of surface soil. This gives an indication of long term average rainfall, variability of rainfall and also the general inherent fertility of that soil. Other considerations are the soil texture, which determines the moisture-holding ability, or moisture efficiency of the soil, and the type of subsoil which is a combination of moisture retention, possibility of root penetration down to reserve moisture

supplies and ease of tillage.

Having rated the soil on the basis of its suitability for farming, the assessor must now consider the economics of farming the land as regards the physical features of the land. Although the soil itself may be very productive, the hazards or difficulties which would be encountered in farming the land may be such that it would be uneconomical to even attempt to till the soil. Features which are considered in this category include stones, topography and tree cover and any miscellaneous factors such as sloughs, draws, coulees, severance by roads or railways or any other feature of the land which the assessor considers adversely affects the farming of that land. The assessor is allowed considerable latitude in applying deductions for these miscellaneous considerations as each parcel will be affected differently and must be treated on its own merits. It would be virtually impossible to set up a schedule which would be sufficiently comprehensive to even remotely include all the different situations which arise when considering the inconvenience to the operator of these miscellaneous physical factors. With respect to the soil factors and the deductions for stones, topography and tree cover, the assessor is restricted to a fairly narrow range of percentages which he may apply.

The final step in the process of estimating the basic value for the land is to obtain the product of the percent ratings for all the factors considered. This product gives a percentage index of productivity related to 100% for the ideal soil for the Province. The percentage index when multiplied by the basic value prescribed for 100% land gives the basic land value for that parcel. The basic value for dry lands where the most profitable use that may reasonably be made of the land is for agricultural purposes has been set at \$40.00 per acre. Thus, if the soil and economic factors indicate a productivity rating of 40%, the basic land value for the parcel will be \$16.00 per acre.

FINAL ADJUSTMENTS

Having established a basic land value for the parcel, the final step is to make any adjustments which are required by reason of location. For assessment purposes we use a combination of two approaches for this factor: (1) a deduction for distance to market, and (2) an addition for proximity to good roads and market centres. A percentage deduction is made for distance to market based on the nature of the roads travelled and this ranges from .4% per mile for blacktop to 1.5% per mile for a poor trail. The additions for proximity to a good urban centre range from 5% to 40% depending on the advantages and amenities accruing to the property by virtue of its being close to such urban centre. Finally, an addition of up to 6% is given for proximity to an improved road.

Irrigated land is treated in a similar manner although a different rating schedule is used and a number of different factors are considered. Perhaps the greatest difference is the fact that the irrigated lands in the Province are divided into classes. We use five classes for irrigable lands based on the marketing facilities available and the general suitability of the area for irrigation with each class having a different basic value per acre.

Pasture lands, i.e., those lands which are non-arable due to the soil or economic factors, are valued under a separate schedule which gives consideration not only to the soil but also to the grass cover and the availability of water. ●

QUESTIONS ANSWERED WITHOUT PREJUDICE**ACCORDING TO THE ACT**

* * * *

Q: Is a municipality holding land and improvements under lease from another municipality or the Crown, liable to assessment and taxation in respect of such property?

A: No, so long as the property is held for the use of the (leasing) municipality, exemption from assessment is authorized pursuant to section 14, clause (b) of The Assessment Act, 1960 as amended in 1963.



The section referred to reads:
"14. The following property is exempt from assessment by a municipality:
. . . (b) land and improvements
(i) owned by a municipality or city, or
(ii) held under lease from a municipality or city or the Crown, when held for the use of a municipality or city;"

J. B. LAIDLAW,
ASSESSMENT COMMISSIONER.

THEN AND NOW . . .

MEN OF THE FIELD SERVICE

Field Service personnel attending their annual convention in 1948 (right) no doubt wrestled with many of the same administrative problems commanding the interest and attention of the group (below) attending the Branch Conference last April. Those appearing in the picture to the right with their positions in 1948 and now are:

Bottom row: Art Sullivan, Hamlet Inspector. Barney Gee, Assistant Supervisor. Wiley Sawyer, Inspector Assessor, Medicine Hat. Wm. Hewlett, Supervisor. Frank McMahon, Reviser of Assessments. Frank Swann, Supervisor. (All the foregoing are retired.) Ray Powell, deceased.

Centre row: E.M. Rymer, then Inspector Assessor at Peace River; now Assistant Director. Ken Sullivan, then at Westlock; left the Department. Fred Jamieson, then at Edmonton; now retired from EMO. Harry Carran, then at Lac La Biche; retired. A.J. Lavoie, then at Edson; now Co-ordinator, EMO. Harry Goy, then and now at Peace River. A. Lavett, then at Cardston; retired. Conrad Cote, then at Falher; now Jasper Place Assessor. Marcel Dompnier, then at High Prairie; deceased.

Top row: R.L. Cross, then Inspector Assessor, Drumheller; now Secretary-member, Assessment Equalization Board. A.R. Isbister, then at Brooks; now Director of Field Service. Ken Luke, then at Rocky Mountain House; now Secretary-member, Assessment Appeal Board. Joe Wynne, then and now at Edson. E.F. Breach, then Industrial Assessor; now Chairman, Assessment Appeal Board. Bert Armstrong, then at Athabasca; deceased. F.W. Harvey, then at Lethbridge; retired.

Below: Field Service and the Special Areas staff attending the conference in April are: Seated: E.M. Rymer, Assistant Director, and A.R. Isbister, Director of Field Service.

1st row: Pat Charlton, Special Areas Fieldman; G.A. Arnason, Industrial Assessor; Peter Klompas, Assistant Industrial Assessor; Lynn Haynes, A.T. Bogusky, P.N. Adamson, Assessors; Harold Nyren, Licensing Inspector, Calgary; J.N. Gibson, Nick Havevich, Assessors.

2nd row: Guy Dompnier, Evansburg, and Tony Pituskin, Bonnyville, Inspector Assessors; Stan Sluzar, Edmonton, Gordon Pangman, Leth-

bridge, Licensing Inspectors; Harry Goy, Peace River, A.T. Robson, Rocky Mountain House, Inspector Assessors; Glen Gorrell, Assessment Supervisor.

3rd row: Nick Sheptycki; John Pokojoy, Special Areas Assessor; George Bray, Hamlet Inspector; Les Bartman, Lac La Biche; Harold Glidden, Spirit River; Archie Grover, High Prairie; Joe Wynne, Edson; Inspector Assessors. Ron Hiller, Assessor.

4th row: Bennie Weller, Chief Clerk, and Jack Beeston, Fieldman, Special Areas; James Bodman, Assessment Supervisor; Phil Stonhouse, Medicine Hat, J.E. Miller, Calgary, Inspector Assessors. Gordon Blackmore, Licensing Inspector, Grande Prairie, Jack Wilmot and Val Lawrence, Assessors.

Men of the Field Service Branch of the Department live in 13 widely-spaced Alberta centres and carry out their various duties in all of the improvement districts of the Province except those administered through the Parks Branch and the Department of National Defence ●

